

**Form ADV Part 2A: Firm Brochure**

**Item 1 – Cover Page**

**Henry James International Management, Inc.**

224 E 48th Street, Suite 6A  
New York, NY 10017  
917-951-5170  
[www.HJ-Intl.com](http://www.HJ-Intl.com)

Date of Disclosure Brochure: March 19, 2015

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This disclosure brochure provides information about the qualifications and business practices of Henry James International Management, Inc. (also referred to as we and us throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact James O'Leary at 917-951-5170 or [james\\_olearycfa@yahoo.com](mailto:james_olearycfa@yahoo.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Henry James International Management, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Henry James International Management, Inc. or our firm's CRD number 169293.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

We discuss in this item only material changes since the last annual update of our brochure dated February 2014 and incorporate all material changes made on subsequent amendments during 2014.

Henry James International Management, Inc. is a newly registered investment adviser.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Henry James International Management, Inc. is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is an S-Corporation formed under the laws of the State of Nevada and domiciled in New York, NY.

- James O'Leary is the Chief Compliance Officer (CCO), Chief Executive Officer (CEO), Chief Investment Officer (CIO) and Portfolio Manager of Henry James International Management, Inc. James O'Leary owns 100% of Henry James International Management, Inc.
- Henry James International Management, Inc. filed its initial application to become registered as an investment adviser in January 2014.

### **Introduction**

The investment advisory services of Henry James International Management, Inc. are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Henry James International Management, Inc. (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Henry James International Management, Inc. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Henry James International Management, Inc. before we can provide you the services described below.

### **Separately Managed Accounts (SMA)**

Clients may be referred to Henry James International Management, Inc. by one of our investment adviser representatives or through unaffiliated independent investment advisers contractually engaged with Henry James International Management, Inc. (also referred to as “Solicitors” throughout this brochure). We can also serve as a sub-advisor to unaffiliated independent investment advisers.

We are responsible for directing the investment of the portion of your funds and securities assigned to our firm using a limited power of attorney granted to Henry James International Management, Inc. by you in our Investment Management Agreement. We do not receive compensation from commissions or other charges levied by your brokerage or custodial firm. We are compensated solely by the investment management fee as detailed in our Investment Management Agreement (see Item 5 of this brochure for more details regarding our fee procedures).

Typically this service is structured so that we will serve as the sole investment adviser to the account. However, we may act as a sub-advisor to unaffiliated independent investment advisers.

### **Tailoring Advisory Services to Individual Needs of Clients**

The investment strategy and management program we use to manage your account is based on your unique investment needs, as expressed in our Client Questionnaire and portfolio strategy selection or selections. We will collect financial and demographic information and assist you with identifying your financial objectives by filling out our Client Questionnaire. Your investment

adviser representative or unaffiliated Solicitor will describe the investment programs available from Henry James International Management, Inc. that may be most beneficial and appropriate given your objectives in light of your responses. Your investment adviser representative or unaffiliated Solicitor will then forward the Client Questionnaire and all associated paperwork to Henry James International Management, Inc. We will conduct a final review of the your selection to assess whether it is appropriate given your stated risk tolerance and objectives. We are expressly authorized to rely on the information provided in the Client Questionnaire without further verification. You must notify your investment adviser representative or unaffiliated Solicitor of material changes in financial circumstances or investment goals that warrant changes to the portfolio strategy selected for your account.

Although the investment portfolios offered via SMA are designed to meet the objectives of general investment strategies (i.e. aggressive versus conservative strategies), clients have the ability to impose reasonable restrictions on the accounts we manage.

Prior to us providing investment management services, you are required to enter into a formal Investment Management Agreement with Henry James International Management, Inc. setting forth the terms and conditions under which we will manage your assets and a separate custodial/clearing agreement with the broker-dealer/custodian.

Henry James International Management, Inc. will allocate investment management assets of our clients' accounts, on a discretionary basis (refer to Item 16 for more information), among one or more of our proprietary investment management portfolio strategies.

Additional details and disclosures regarding our investment management portfolio strategies are provided to clients via separate documentation prior to or at the time a portfolio strategy is determined. We have designed our proprietary portfolio strategies to comply with the provisions set forth under Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Henry James International Management, Inc.'s SMA program, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to our management of client assets:

1. *Initial Interview* – at the opening of the account, we, through our investment adviser representative or unaffiliated Solicitor, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. *Individual Treatment* – we managed every client's account on the basis of the client's financial situation and investment objectives;
3. *Quarterly Notice* – at least quarterly Henry James International Management, Inc., through our investment adviser representative or unaffiliated Solicitor, will notify the client to advise Henry James International Management, Inc. whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the client's account;
4. *Annual Contact* – at least annually, Henry James International Management, Inc., through our investment adviser representative or unaffiliated Solicitor, will contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the client's account.

5. *Consultation Available* – We and our investment adviser representative or unaffiliated Solicitor will be reasonably available to consult with the client relative to the status of client's account;
6. *Quarterly Statement* – clients are provided with a statement, at least quarterly, that is prepared by the account custodian and delivered to the client directly from the custodian. That statement will contain a description of all activity in the client's account during the preceding period. The client may also receive a quarterly performance report from Henry James International Management, Inc. upon request. All clients are responsible, and therefore urged by us, to compare performance reports received from us against the account statements prepared and delivered by the custodian;
7. *Ability to Impose Restrictions* – on a case-by-case basis, clients have the ability to impose reasonable restrictions on the management of his/her/its account, including the ability to instruct Henry James International Management, Inc. not to purchase certain specific securities;
8. *No Pooling* – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
9. *Separate Account* - a separate account is maintained for the client with the Custodian; and
10. *Ownership* – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

To access Henry James International Management, Inc.' investment management services through an SMA, clients must generally establish accounts at a qualified custodian approved for that purpose by Henry James International Management, Inc. Please refer to Item 12 for more details.

In performing our services, Henry James International Management, Inc. is not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely on the information provided by the client. It is the client's responsibility to promptly notify us if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising our previous recommendations and/or services. A copy of this Brochure will be provided to each client before, or at the same time, the Investment Management Agreement is executed. Clients are advised to promptly notify Henry James International Management, Inc. if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Henry James International Management, Inc.' management services.

### ***Sponsored Investment Management Platforms or Investment Wrap Programs (Platform)***

Clients may also gain access to our management services through programs or investment platforms sponsored by unaffiliated investment advisers and/or broker-dealers. These programs may be wrap-fee programs, lists of available investment managers, or general asset allocation programs. Through these programs or platforms, clients must establish an account directly with the program sponsor. We are then available to clients for selection as an independent money manager. Many of the terms and conditions of these programs are determined by the program sponsor. Through these programs, Henry James International Management, Inc. will be available to clients for selection as an independent money manager.

Clients must establish an account directly with the program sponsor. All applicable contracts and account paperwork will be completed by the client with the assistance of the program sponsor representative. The program sponsor representative will obtain the necessary financial data from the client, assist the client in determining suitability, and help the client to set the appropriate investment objectives. The program sponsor will then provide all necessary information to Henry James International Management, Inc. The program sponsor representative will meet periodically to review the client's financial situation, investment objectives, and current portfolios and then make any necessary changes to the Henry James International Management, Inc. portfolio strategy selection, and notify us of any changes to be made. A representative of the program sponsor will typically be responsible for providing our disclosure brochure. Depending on the money manager program, a Henry James International Management, Inc. client agreement may also be provided to the client.

Henry James International Management, Inc. will have the power and authority, as granted by the client through the program sponsor contract, to make investment decisions over the portion of the client's assets delegated to Henry James International Management, Inc. However, we will not be responsible for executing transactions in the client's account. We will provide trade instructions to the sponsor of the program who will be responsible for executing our recommendations.

Accounts established through a program sponsored by an unaffiliated investment adviser and/or broker-dealer will be held and cleared through a broker-dealer selected by the program sponsor, pursuant to a relationship between the sponsor and the clearing broker-dealer. The program sponsor reserves the right to designate alternative clearing and custody arrangements similar to those of its preferred clearing broker-dealer. Physical custody of funds and securities is maintained by the various clearing firms, not by Henry James International Management, Inc. As is the case with SMA accounts, on a case-by-case basis clients accessing Henry James International Management, Inc. through a Platform have the ability to impose reasonable restrictions on their accounts.

### **Specialization**

Henry James International Management, Inc. specializes in providing investment advice on international, global, and foreign investments. Our strategies focus on selecting globally-based investment instruments as part of an investment portfolio. International investing includes such investment vehicles as mutual funds, American Depositary Receipts, ordinary foreign listed shares, domestic foreign listed shares, domestic listed shares, exchange-traded funds (ETFs), or direct investments in foreign and domestic markets. People often invest internationally for diversification, to spread the investment risk among foreign companies and markets, for growth, and to take advantage of emerging markets.

Some of the risks associated with international investing including being subject to currency changes, dealing with other sovereign entities, emerging markets, investing in companies subject to foreign laws, and foreign domestic violence.

### **Limits Advice to Certain Types of Investments**

Henry James International Management, Inc. provides investment advice on the following types of investments:

- Exchange Traded Funds (ETFs)
- Stocks, Equities, and Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- American Depositary Receipts (ADRs)

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for a client's specific circumstances, needs, goals, and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

When managing client accounts, we may manage a client's account in accordance with one or more investment models. Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* for more information about our models. When client accounts are managed using models, investment selections are based on the underlying model, and we do not develop customized (or individualized) portfolio holdings for each and every client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives, and mandates.

Although we use investment models, Henry James International Management, Inc.'s advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by Henry James International Management, Inc.**

As of December 31, 2014, Henry James International Management, Inc. has \$146,250,000 assets under management to report. All assets are managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Henry James International Management, Inc.

### **Fees for Separately Managed Accounts (SMA)**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and



calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the account when services commence and is due immediately and will be deducted from your account when services commence.

The asset management services continue in effect until terminated. You may terminate the services by providing Henry James International Management, Inc. with notice. We may terminate the services by providing you with written notice effective 30 days after you receive the written notice. We will promptly refund any prepaid, unearned fees to you. We will determine fee refunds on a pro rata basis using the number of days services are actually provided during the final period.

Fees charged for our asset management services are negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), and the total amount of assets under management for the client.

- The annual fee for asset management services will be between 0.30% and 1.50%
- There is a minimum account size of \$50,000.

For clients that are referred to Henry James International Management, Inc. by an affiliated person of Henry James International Management, Inc., we will retain the entire portion of client's management fees. For clients referred by an outside Solicitor, the outside Solicitor will receive a portion of the overall management fee. The exact fee will be negotiated with the client and Solicitor based on the type of client, the composition of the client's account (i.e., equities versus mutual funds), and the total amount of assets under management for the client. Our portion of the fee charged to Solicitor introduced clients is non-negotiable. Solicitor clients will be charged a management fee within the following standard fee schedule.

Henry James International Management, Inc. believes our annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to Henry James International Management, Inc.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

If you choose to pay the fees after receiving a statement, fees are due upon your receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management, and the time period covered. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

The qualified custodian bills brokerage commissions and/or transaction ticket fees charged by the qualified custodian directly to you by We do not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than Henry James International Management, Inc. in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Henry James International Management, Inc. are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

### ***Performance Based Fees***

Under certain situations, Henry James International Management, Inc. charges performance based fees to investors who meet the definition of "qualified client". Under these arrangements, you will be charged a fee based on the assets under management within your account and in accordance with the fee schedule and parameters detailed below. As a result, we have developed two basic fee schedules. The first fee schedule illustrated above is applied to non-qualified clients, and the second fee schedule is available to qualified clients.

To be considered a qualified client, the client must have at least \$1 million under management with our firm immediately after entering into an advisory contract or we must have reasonable belief that the client has a net worth of more than \$2 million at the time the investment advisory agreement is executed.

Qualified clients may be charged an annual fee of based on the client's assets under management in accordance with the fee arrangements described in the preceding section. We will charge performance based fees in adherence with a high water mark (i.e., no performance based fee will be earned unless the account's performance exceeds the previously achieved high water mark where performance based fees were charged). The high water mark will be used to prevent a scenario where we could receive a performance based fee merely for recouping prior losses. Any contribution of funds or securities to the account will increase the high water mark by a corresponding amount, and any distributions of funds or securities from the account will lower the high water mark by a corresponding amount.

In addition to the annual fee based on the value of the client's assets under management, we are compensated for our asset management services through a performance based fee. Under this arrangement, the client will be charged a fee contingent upon the performance within the client's account(s). The performance based fee will be tied to the capital appreciation (i.e. capital gains) within the account as evaluated at the end of each calendar year. The performance based fee will be calculated daily and payable annually, in arrears. The performance based fee will generally not exceed 10% of the capital appreciation attained within the client's account. In some situations, an annual asset under management fee may be lower or not charged. In these cases, the performance based fee will be higher than 10% but will not exceed 20%.

The exact fee and fee arrangements may vary or be different than that described above based on the complexity of client's situation, number of accounts managed, total assets under management, and other factors specific to the client. The exact fee arrangements for each client will be specified in that client's advisory services agreement with Henry James International Management, Inc.

### **Sponsored Investment Management Platforms**

Participants in a platform program will pay an annualized investment management fee to Henry James International Management, Inc., generally not to exceed 1.00% of the assets under our management.

Depending on the program, our fee will either be charged in addition to the overall program fee charged to a client or included in the program fee charged to the client. When our annual fee for investment management services is separate from and in addition to the program fee, the fee rate is determined by the fee table shown in each client's Investment Management Agreement with Henry James International Management, Inc. Our investment management fees are non-negotiable.

In accordance with the program sponsor's billing arrangements, Henry James International Management, Inc. may provide the program sponsor, broker-dealer, or account custodian a quarterly invoice. Our fees are then billed and collected by the program sponsor, broker-dealer, or account custodian and remitted directly to Henry James International Management, Inc. Clients should refer to the program sponsor's disclosure brochure and contract for a full description of all fees and billing arrangements related to the program.

Fees for accounts we manage on a broker-dealer's or custodian's platform will be calculated and collected by the platform sponsor and remitted to Henry James International Management, Inc. In those cases, any other fees or costs, such as a platform fee or trading costs, is deducted and retained by the sponsor. Henry James International Management, Inc. is not a party to, and does not participate in, such fees.

The process for removing Henry James International Management, Inc. as a sub-advisor or money manager on a Platform must comply with the procedures established by the Platform sponsor. Typically, such procedures are detailed in the Platform client agreement. Therefore, please refer to the Platform agreement and other materials for specific procedures to remove Henry James International Management, Inc. as a sub-advisor.

### **Wrap-Fee Arrangements**

To the extent Henry James International Management, Inc. portfolios are offered by a custodian or on a platform where some portion of the custodian's fees are wrapped (or bundled), including transaction fees, and we cannot determine the portion of the wrapped fee that represents transaction fees, the entire wrapped fee reduces both net of fee and gross of fee performance. We do not estimate trading fees in such cases. Henry James International Management, Inc. does not currently sponsor or participate in any wrapped fee arrangements in which our management fee cannot be identified as a charge separate from the bundled fee.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As described above in *Item 5 – Fees and Compensation*, Henry James International Management, Inc. charges certain clients a performance fee, which is based upon a share of capital gains or capital appreciation of the assets of such client. We also provide services and are compensated on asset based fees, which are based on the total amount of assets owned by the client.

We face conflicts of interest by managing performance based accounts at the same time as managing asset based, non-performance based accounts. For example, the nature of a performance fee poses an opportunity for us to earn more compensation than under a stand-alone asset based fee. Consequently, we may favor performance fee accounts over those accounts where we receive only an asset based fee.

One way we may favor performance fee accounts is that we may devote more time and attention to performance fee accounts than to accounts under an asset based fee arrangement.

There are other conflicts associated with performance fees that are not as common under an asset based fee arrangement. The nature of performance fees can encourage unnecessary speculation with client assets to earn or increase the amount of the fee. The result of riskier investments can have a positive affect in that results could equal higher returns when compared to an asset based fee account. On the other hand, riskier investments historically have a higher chance of losing value. Also, since in a performance fee arrangement an adviser is compensated based on capital gains or capital appreciation, these arrangements could give an investment adviser an incentive to time transactions in a client's account on the basis of fee considerations rather than on what is in the best interest of the client. Performance fees can potentially cause an investment adviser to engage in transactions or strategies that will increase the amount of the performance fees, but that may not increase the overall performance of the client's account. For example, an account may lose value during a year and no performance fee will be earned. In the following year, we may receive a performance fee for simply recouping losses from the previous year. We control for this potential conflict of interest by using the high-water mark fee calculation method described in the preceding paragraph. A performance fee may also encourage us to make riskier and more speculative investments. Henry James International Management, Inc. does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance fees we charge may be higher than the performance fees charged by other investment advisers for the same or similar services.

Henry James International Management, Inc. has established policies and procedures to address the various conflicts of interest associated with charging a performance fee:

- We devote equal time to the management of performance fee accounts and asset based fee accounts.
- Only clients that are able to assume additional risk are solicited to engage in a performance fee arrangement. We provide such clients full disclosure of the additional risks associated with a performance fee arrangement.
- Client accounts eligible to be charged a performance based fee must reach a pre-determined and agreed upon high-water mark before we charge a performance based fee.

Performance based fee arrangements of Henry James International Management, Inc. will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only natural individual clients meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance based compensation to Henry James International Management, Inc. A natural person or company must meet the following conditions to be considered a qualified client:

- Have at least \$1,000,000 under management with Henry James International Management, Inc. at the time the client enters into an agreement with Henry James International Management, Inc.;  
**or**
- Provide documentation to Henry James International Management, Inc. so that we can reasonably believe the client has either a net worth of \$2,000,000 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

## **Item 7 – Types of Clients**

Henry James International Management, Inc. generally provides investment advice to the following types of clients:

- Individuals
- Banks or thrift institutions
- Investment companies
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with us specifying the particular advisory services to establish a client arrangement with Henry James International Management, Inc.

### **Minimum Investment Amounts Required**

We require a minimum of \$50,000 in order to open an account. To reach this account minimum, clients can aggregate all household accounts. Exceptions may be granted to this minimum at our discretion.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Henry James International Management, Inc. uses the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Quantitative – This method of analysis is a business or financial technique that seeks to understand behavior by using mathematical and statistical modeling, measurement, and research. By assigning a numerical value to variables, quantitative analysts try to replicate reality in a disciplined manner mathematically. Quantitative analysis can be done for a number of reasons such as measurement, country ranking, stock ranking, or valuation of a financial

instrument. It can also be used to predict real world events such as changes in a share price. As in any method of analysis, quantitative analysis has risks, including and not limited, to faulty data, mistakes in calculations, and formulas. We put effort into mitigating these potential problems.

### **Investment Strategies**

All accounts are invested in the same manner depending on the specific strategy selected. The firm reviews all account allocations directly after strategy trading occurs and on a weekly basis to make sure that all accounts have the same target allocation. The firm maintains the current asset allocation for each strategy as well as a set of target allocation bands for each security. After trading and once per week, the firm prints out the current allocation for each account and compares it to the targeted allocation bands for every security to make sure all accounts are correctly allocated. Accounts that have asset allocations that fall outside the target allocation bands are appropriately reallocated.

We utilizes several strategies when managing client accounts. Included are:

- **The Henry James International Portfolio** is designed for aggressive investors and takes advantage of the international economy while attempting to achieve long-term capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies with market capitalizations greater than \$1 billion. The portfolio can invest in international markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmarks are the MSCI-EAFE and MSCI-EAFE Growth indices.
- **The Henry James International Select Portfolio**, a market oriented portfolio, is designed for aggressive investors and takes advantage of the international economy while attempting to achieve long-term capital appreciation. The portfolio seeks to achieve the highest possible returns while controlling risk. The portfolio may provide potential diversification benefits to domestic equity portfolios. The portfolio can invest in international markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs) with market caps at time of purchase less than \$10 billion. The portfolio may at times invest in a limited number of ETFs. Small-to-mid cap stocks typically have a higher degree of risk than larger cap stocks. Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The portfolio's primary performance benchmarks are the MSCI-EAFE and the MSCI World ex USA Small Cap indices.
- **The Henry James Emerging Markets Portfolio**, a market oriented product, is designed for aggressive investors and takes advantage of the world's emerging markets economies. The portfolio attempts to achieve capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies without restriction on their market capitalization. The portfolio invests in emerging markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). Due to the risk in investing in emerging markets, there could at times be high turnover and volatility. At times, the portfolio may invest up to 100% of its total assets in such securities. Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmark is the MSCI Emerging Markets Index.

- **The Henry James Global Select Cap Portfolio**, a market oriented portfolio is designed for aggressive investors and takes advantage of the global economy while attempting to achieve long-term capital appreciation. The initial universe includes all sponsored and un-sponsored foreign stock, and American Depositary Receipts (ADRs) and U.S. equities with market caps less than \$5 billion. Smaller cap stocks typically have a higher degree of risk than larger cap stocks. The portfolio can invest in international markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs) with market caps at time of purchase less than \$10 billion. The portfolio may at times invest in a limited number of ETFs. The portfolio typically holds 90 to 110 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmarks are the MSCI World and MSCI World Small Cap Index.
- **The Henry James International SRI Portfolio** is designed for aggressive investors and takes advantage of the international economy while attempting to achieve long-term capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies with market capitalizations greater than \$1 billion. The portfolio invests in international markets through the use of sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). The portfolio is invested in a socially responsible manner. Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmark is the MSCI-EAFE index.
- **The Henry James Global Portfolio** is designed for aggressive investors and takes advantage of the global economy while attempting to achieve long-term capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies with market capitalizations greater than \$1 billion. The portfolio can invest in international markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). Typically, the portfolio invests in 70 to 110 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmark is the MSCI World index.
- **The Henry James European Markets Portfolio**, a market oriented product, is designed for aggressive investors and takes advantage of the European economies. The portfolio attempts to achieve capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies without restriction on their market capitalization. The portfolio can invest in European markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). At times, the portfolio may invest up to 100% of its total assets in such securities. Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmark is the MSCI European Markets Index.
- **The Henry James Latin Markets Portfolio**, a market oriented product, is designed for aggressive investors and takes advantage of the Latin American economies. The portfolio attempts to achieve capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies without restriction on their market capitalization. The portfolio can invest in Latin American markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). Due to the risk in investing in Latin American markets, there could at times be high turnover and volatility. At times, the portfolio may invest up to 100% of its total

assets in such securities. Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmark is the MSCI Latin American Markets Index.

- **The Henry James Asia Equity Markets Portfolio**, a market oriented product, is designed for aggressive investors and takes advantage of the Asian markets economies. The portfolio attempts to achieve capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies without restriction on their market capitalization. The portfolio invests in Asian markets through the use of sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). Due to the risk in investing in Asian markets, there could at times be high turnover and volatility. At times, the portfolio may invest up to 100% of its total assets in such securities. Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmark is the MSCI Asia Markets Index.
- **The Henry James Asia –ex Japan Equity Markets Portfolio**, a market oriented product, is designed for aggressive investors and takes advantage of the Asia-ex Japan markets economies. The portfolio attempts to achieve capital appreciation. The portfolio may provide diversification benefits to domestic equity portfolios. The portfolio may invest in securities of a broad range of companies without restriction on their market capitalization. The portfolio can invest in Asia ex-Japan markets through the use of ordinary, sponsored and un-sponsored foreign stocks, and American Depositary Receipts (ADRs). Due to the risk in investing in Asia ex-Japan markets, there could at times be high turnover and volatility. At times, the portfolio may invest up to 100% of its total assets in such securities. Typically, the portfolio invests in 50 to 70 stocks that pass our disciplined fundamental and quantitative criteria. The primary performance benchmark is the MSCI Asia ex-Japan Markets Index.
- **The Henry James Tactical RevenueShares® Global Allocation Portfolio** invests in revenue-weighted ETFs sponsored by VTL Associates, LLC. The portfolio has global exposure, including emerging markets, and invests across a spectrum of capitalization ranges (i.e., small, mid, large). The portfolio overweights ETFs viewed as having the most relative strength and reduces allocation to out-of-favor asset classes. In addition, the portfolio can raise significant cash positions, up to 50%. The portfolio typically holds 5 ETFs. The primary performance benchmark is the S&P Global BMI Index.

The following are some general investment strategies we use when managing client accounts.

- **Long-term purchases:** Investments held at least a year.
- **Short-term purchases:** Investments sold within a year.
- **Frequent trading:** This strategy refers to the practice of selling investments within 30 days of purchase.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different



types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Small Capitalization Stock Risk. International Select and Global Select Cap portfolios all invest in smaller cap stocks that may trade fewer shares than larger cap stocks. The liquidity risk among these types of stocks may increase the risk associated with these portfolios. Some of our investment portfolios are designed to invest heavily in stocks that may have limited trading volume and thus greater volatility.
- Foreign Investing Risk. Investing in foreign companies, including direct investments and through depositary receipts (such as American Depositary Receipts) poses additional risk since political and economic events unique to a country or region will affect those markets and their issuers. While depositary receipts provide an alternative to directly purchasing the underlying foreign securities in their respective national markets and currencies, investments in depositary receipts continue to be subject to many of the risks associated with investing directly in foreign securities. Investing in non-U.S. securities including ADRs involves significant risks, such as fluctuation of exchange rates that may have adverse effects on the value of the security. Securities of some foreign companies may be less liquid and prices more volatile. Information regarding securities of non-U.S. issuers may be limited.
- Emerging Markets Risk - Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price

volatility associated with investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar.

- ETF and Mutual Fund Risk – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- ETF Risk - We may invest in exchange traded funds ("ETFs") and some of our investment strategies are generally fully invested in ETFs. Like traditional mutual funds, ETFs charge asset-based fees, but they generally do not charge initial sales charges or redemption fees and investors typically pay only customary brokerage fees to buy and sell ETF shares. The fees and costs charged by ETFs held in client accounts will not be deducted from the compensation the client pays Henry James. (Please refer to Item 5, Fees and Compensation, for further information on ETF fees.) ETF prices can fluctuate up or down, and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. ETFs may be subject to additional risks:
  - a. ETF shares may trade above or below their net asset value;
  - b. An active trading market for an ETF's shares may not develop or be maintained;
  - c. The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track;
  - d. The cost of owning shares of the ETF may exceed those a client would incur by directly investing in the underlying securities; and
  - e. Trading of an ETF's shares may be halted if the listing exchange's officials deem it appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Henry James International Management, Inc. is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Henry James International Management, Inc. has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors, and investment adviser representatives are classified as supervised persons. Henry James International Management, Inc. requires our supervised persons to consistently act in your best interest in all advisory activities. we impose certain requirements on our affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Henry James International Management, Inc. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Henry James International Management, Inc. or supervised persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is our express policy that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. Henry James International Management, Inc. and our supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider.”
- Supervised persons are discouraged from conducting frequent personal trading.
- Supervised persons are generally prohibited from serving as board members of publicly traded

companies unless an exception has been granted to the Chief Compliance Officer of Henry James International Management, Inc.

Any supervised person not observing our policies is subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

Henry James International Management, Inc. has formed brokerage arrangements with the institutional platforms of Charles Schwab & Company, Inc. ("Schwab"), Pershing Advisor Solutions ("Pershing"), and Fidelity Institutional Wealth Services ("Fidelity"). Therefore, clients opening accounts through our Separately Management Accounts program have the option to open account(s) at Schwab, Pershing, or Fidelity.

Although we recommend the preceding list of broker/dealers, clients are allowed to select the broker/dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. We generally place directed brokerage account trades after effecting trades for other clients. In the event that a client directs us to use a particular broker or dealer, we may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Henry James International Management, Inc. to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

We do not receive client referrals from Schwab, Pershing, or Fidelity. Further, we have not entered into a formal soft dollar benefits agreement with these firms.

### **Brokerage Arrangement with Charles Schwab & Company, Inc.**

Schwab is a FINRA-registered broker-dealer, member SIPC. As broker/dealer, Schwab has been selected as one option to maintain custody of clients' assets and to effect trades for their accounts. Henry James International Management, Inc. is independently owned and operated and not affiliated with Schwab.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained at Schwab Institutional. These services are not contingent upon Henry James International Management, Inc. committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

For Henry James International Management, Inc.' clients' accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Institutional also makes available to Henry James International Management, Inc. other products or services that benefit us but may not

directly benefit clients' accounts. Many of these products and services may be used to service all or some substantial number of Henry James International Management, Inc.' accounts, including accounts not maintained Schwab.

Schwab's products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Henry James International Management, Inc.' fees from some of its accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include: (i) compliance, legal, and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants, and insurance providers. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Henry James International Management, Inc. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Henry James International Management, Inc. personnel. While as a fiduciary, we endeavor to act in our clients' best interests, our recommendation that clients maintain their assets in accounts at Schwab may take into account availability of some of the foregoing products and services and other arrangements not solely on the nature of cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### **Brokerage Arrangement with Fidelity**

For clients selecting Fidelity, accounts will be held at National Financial Services, LLC, which is a Fidelity affiliated broker/dealer, member SIPC. Fidelity provides Henry James International Management, Inc. with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Fidelity include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity also makes available to Henry James International Management, Inc. other products and services that we benefit from but may not benefit your accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping, and client reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. Fidelity also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance

- Marketing.

In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to Henry James International Management, Inc. by independent third-parties providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our requirement that you maintain your assets in accounts at Fidelity may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This creates a potential conflict of interest.

You are under no obligation to act on our recommendations. You may select a broker/dealer or account custodian other than Fidelity.

**Brokerage Arrangement with Pershing Advisor Solutions, LLC**

Clients may also open accounts to be held directly at Pershing, LLC through the Pershing Advisor Solutions, LLC platform (PAS), which is an institutional platform serving independent investment adviser firms with accounts held at cleared through Pershing, LLC, a registered broker/dealer member SIPC. Henry James International Management, Inc.'s decision to use PAS is based on numerous factors. Institutional trading and custody services are typically not available to the same providers' retail investors. Institutional services generally are available to Investment Advisers on an unsolicited basis at no charge to them. Institutional services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained at PAS, PAS does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through or that settle into platform accounts. When evaluating institutional platforms, we consider other products and services that assist us in managing and administering clients' accounts. While these products and services benefit Henry James International Management, Inc. and our investment adviser representatives, they may not necessarily benefit every Henry James International Management, Inc. client. Services and products that we actively consider and evaluate include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Henry James International Management, Inc.' fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of Henry James International Management, Inc. accounts, including accounts not maintained on the institutional RIA platform that provides the services. We will also evaluate services available that are intended to help Henry James International Management, Inc. and our investment adviser representatives manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, institutional platforms may make available, arrange and/or pay for these types of services rendered to Henry James International Management, Inc. and our investment adviser representatives by an independent third party providing these services to Henry James International Management, Inc. While as a fiduciary, we endeavor to act in our clients' best interests, Henry James International Management, Inc. recommendations or requirements that clients maintain their assets in accounts at a particular institutional platform like PAS may be based in part on the benefit to Henry James International Management, Inc. of the availability of some of the foregoing products and

services and not solely on the nature, cost, or quality of custody and brokerage services provided by the institutional platform, which may create a potential conflict of interest.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done to achieve better execution, to negotiate more favorable commission rates, or to allocate orders among clients on a more equitable basis to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Henry James International Management, Inc. uses the average price allocation method for transaction allocation. Under this procedure we will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Henry James International Management, Inc. or our supervised persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our supervised persons receive any additional compensation as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly with underlying investments reviewed on a daily to weekly basis. While the calendar is the main triggering factor, we can also conduct review at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by James O'Leary, with reviews performed in accordance with your unique investment situation.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Henry James International Management, Inc. may provide position or performance reports to you monthly, quarterly, and upon request. Reports are typically written but may be delivered electronically as requested by our clients. Additional client reporting may be available upon request. We typically do not provide account reporting to accounts on Sponsored Investment Management Platforms unless specifically requested.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser, or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## **Item 14 – Client Referrals and Other Compensation**

As a third-party investment advisor providing asset management services, Henry James International Management, Inc. relies primarily on client referrals from unaffiliated investment advisers and their representatives (“Solicitors”). Details of the compensation provided to solicitors that refer clients to Henry James International Management, Inc. are provided at Item 5 of this brochure. All of our referral arrangements are in compliance with federal or state regulations (as applicable). Solicitation/referral fees are paid pursuant to a written agreement retained by both the firm and the Solicitor. Solicitors are required to provide clients with several documents, including a copy of this Form ADV Part 2 Disclosure Brochure and a Solicitor Disclosure Document prior to or at the time of entering into any investment advisory contract with Henry James International Management, Inc.

Clients that engage Henry James International Management, Inc.’ services will pay more or less to obtain Henry James International Management, Inc.’ investment management services than do other clients, since a portion of the overall fee is determined by the Solicitor. Variations in the Solicitor’s compensation may be due to the Solicitor’s role as an unaffiliated investment adviser or investment adviser representative for the consulting and monitoring services the Solicitor may provide to the client on an ongoing basis relative to the client’s engagement of Henry James International Management, Inc. Such arrangements, and their terms and conditions, are exclusively determined between the client and the Solicitor, and Henry James International Management, Inc. is not a party to these arrangements.

Henry James International Management, Inc. pays to some broker-dealers and investment adviser firms a fixed annual participant provider fee to be listed on the broker-dealer or investment advisor’s platform of approved third party managers. The platform listing permits the broker-dealer or investment adviser’s representatives to recommend our investment management services to their clients. The fixed annual participant fee is payable regardless of the number, if any, of a broker-dealer or investment advisor’s clients that engage our services. Henry James International Management, Inc. may enter into similar arrangements with additional broker-dealers or investment advisors, pursuant to which we will be added to the respective firm’s third party manager platforms. We may also agree to serve as sub-advisor to an unaffiliated investment advisor.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

## **Item 15 – Custody**

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Henry James International Management, Inc. is deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, this is the only form of custody we will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Henry James International Management, Inc. is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified



custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Henry James International Management, Inc. When clients have questions about their account statements, they should contact Henry James International Management, Inc. or the qualified custodian preparing the statement.

### **Item 16 – Investment Discretion**

Upon receiving written authorization from a client, Henry James International Management, Inc. will maintain trading authorization over client accounts and implement trades on a discretionary basis (which shall be granted in our client services agreement). When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction.

On a case-by-case basis, clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

### **Item 17 – Voting Client Securities**

Henry James International Management, Inc. does not vote proxies on behalf of clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in your accounts managed by our firm.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. Henry James International Management, Inc. does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Henry James International Management, Inc. has not been the subject of a bankruptcy petition at any time.

### **Customer Privacy Policy Notice**

**Commitment to Your Private Information:** Henry James International Management, Inc. has developed a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial advisory, and other services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with whom your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.

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